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December 18, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW, Room TWB-204
Washington, D.C. 20554

RE: In the Matter of Inquiry Concerning High-Speed Access to the Internet Over Cable and Other Facilities, GN Docket No. 00-185

Dear Ms. Salas:

Yesterday, David Fellows, Chief Technology Officer, Douglas Garrett, Vice President, Law, and Susan Marshall, Senior Vice President of Advanced Broadband Services, of AT&T Broadband, Howard Symons, of Mintz, Levin, Cohn, Ferris, Glovksy & Popeo, on behalf of AT&T, and the undersigned, met with John Berresford, William Cox, Peggy Greene, John Kiefer, Anne Levine, Sarah Mahmood, Royce Sherlock, and John Wong of the Cable Services Bureau, Shanti Gupta and Jerome Stanshine of the Office of Engineering & Technical Services, and Robert Cannon of the Office of Plans and Policy. The purpose of the meeting was to discuss a number of issues raised in the above-referenced docket. A copy of the presentation used in the meeting is attached.

We also discussed possible ramifications at the local franchise level of classifying cable modem service solely as an information service. These included potential uncertainty over whether a cable operator would be authorized to provide cable modem service where the cable franchise authorizes only the provision of "cable services"; whether a local government could require the operator to obtain an additional franchise to provide such service even if there were no additional burden placed on the public rights-of-way; and what limits, if any, there would be the imposition of a local franchise or similar fee on cable modem service. We expressed concern that these issues could all prove controversial and become bogged down in litigation, encumbering and thereby impeding the continued rollout of cable modem services.

Finally, we noted that market studies have suggested that consumers are more likely to subscribe to cable modem service if they are offered a choice of ISPs.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Brian J. Brady

Attachments

cc: John Berresford (w/o attachments)
Robert Cannon (w/o attachments)
William Cox (w/o attachments)
Peggy Greene (w/o attachments)
Shanti Gupta (w/o attachments)
John Kiefer (w/o attachments)
Anne Levine (with attachments)
Sarah Mahmood (w/o attachments)
Royce Sherlock (w/o attachments)
Jerome Stanshine (w/o attachments)
John Wong (w/o attachments)

AT&T Broadband
Broadband Choice Program Status

December 17, 2001

AT&T | BROADBAND

Broadband Choice Discussion Topics

- Trial and Rollout Update
- Network Status
- ISP Status
- Broadband Choice Business Model
- Broadband Choice Subscriber Experience
- Engineering Choices

AT&T Broadband Choice Trial Update

- Boulder trial was first multiple ISP trial in the country
  - Phase 1: November 1 – May 1
    - Focus on technology and operations
    - 321 consumer participants
    - 4 ISPs
  - Phase 2: June 15 – August 15
    - Focus on billing, customer usage and care tools
    - 50 consumer participants
    - 2 ISPs

- Lessons learned
  - Consumers valued ease of ISP selection and registration
  - Consumers valued advanced self-help customer care and diagnostic tools
  - Policy based routing architecture allowed for clear troubleshooting demarcations with ISPs
  - ABB network visibility by ISPs and MSO will shorten troubleshooting timeframes
  - Standardized business-to-business interfaces streamlined cost and time required for integrating new ISPs and MSOs

AT&T Broadband Choice Rollout Update

- Two dynamics interrupted planned Massachusetts launch
  - Long-term ISPs arrangements in negotiation
  - ExciteAtHome bankruptcy diverted critical resources
- Rollout
  - Limited commercial launch in Massachusetts delayed
  - Use of new AT&T Broadband network will accelerate wide-scale availability of Broadband Choice
    - First developed for Boulder trial
    - New network architected to optimize open access

Broadband Choice Network Status

- Back-up network built "from scratch"
  - Contingency Plan developed after Excite@Home bankruptcy, in case "lit to lit" (acquisition or transition) could not be achieved
  - Completed on November 30
  - Founded on policy based architecture; designed to accommodate to Broadband Choice
  - Operationally simple, scalable
- All former Excite@Home subscribers are now on the new AT&T network
- Broadband Choice requires additional enhancements to the new network
  - Must enhance tools not only for us, but also for the ISPs and subscribers
  - Must consolidate subscribers currently on "old RoadRunner" network onto the new network
  - Must enhance Service Agent to be responsive to subscriber feedback
  - Need to upgrade network to include scaleable policy based routing solution
  - Need to put into place more coherent back-end IP infrastructure
  - Must integrate a usage tracking system
- Objective: Begin general rollout of Broadband Choice in 2002

ISP Status

- In discussions with four national ISPs, but solution we are building applies to any size and flavor (local, regional, national) ISP
- Key commercial terms between AT&T Broadband and ISPs
  - Creation of packages based on speed and price among other features
  - Revenue share for ancillary services
  - One-time fee to ISPs for completing integration testing
  - One-time fee to ISPs for each network connection
  - Charges to ISPs for truck rolls due to ISP problems
  - Backbone services are optional

Example of Differing Consumer Behaviors

Personal Communications

Daily activity:

- 200 e-mails (10 with high resolution pictures)
- 150 web pages
- 1 hour of on-line gaming (Quake)
- 5 MP3 downloads
- 3 MP3 uploads

Active Exploring

Daily activity:

- 250 e-mails (10 with high resolution pictures)
- 250 web pages
- 1.5 hours of online gaming (Quake)
- 9 MP3 downloads (an album/day)
  or – 1hour of streamed FM radio
- 5 MP3 streamed songs
- 7 MP3 uploads

Monthly activity:

- 2 half-hour TV shows to PC
- 1 VOD movie to PC

Work At Home

Daily activity:

- 150 large e-mails w/o attachments
- 35 e-mails with 500KB attachments
- 200 web pages
- 1 hour of online gaming
- 1 hour of streamed FM radio
- 7 MP3 downloads
- 9 MP3 uploads

Monthly activity:

- 1 digital cable quality movie to a TV, or
- Download 2M file

Broadband Choice Business Model: Customer Facing

AT&T Broadband	BUSINESS FUNCTION	ISP
Provides generic broadband Internet awareness marketing/acquisition (optional) Conducts marketing and acquisition for ISP under negotiated terms (optional) Bundles ISP service with other AT&T Broadband services (video, telephony) under negotiated terms	Customer Acquisition	Conducts all marketing and acquisition efforts to serve its objectives
Conducts premium and standard installations, and provides a self-install option.	Customer Installation	(optional) Conducts installations, but must meet AT&T Broadband specifications
Bills for ISP broadband service, at customer's request (optional) Bills if ISP service is bundled with other AT&T Broadband services (optional) Bills on behalf of ISP under negotiated terms	Customer Billing	Bills for ISP broadband service, at customer's request
Performs customer care related to the performance of the broadband network (e.g., provisioning system performance)	Customer Support	Performs customer care related to all ISP services (e.g., email system performance)

Broadband Choice Business Model: Network Facing

AT&T Broadband	BUSINESS FUNCTION	ISP
Builds, operates, and maintains the broadband network and delivers network service levels as agreed to in commercial agreement Provides DNS, DHCP, IP address management, encrypted transport, etc. services	**Network Operations**	Monitors network service levels on near-real-time basis Provides IP address blocks Operates and manages the ISP services platform (e.g., email)
Performs network diagnosis and repairs network as required, meeting committed service levels	**Diagnosis and Repair**	Performs ISP service diagnosis and repairs services as required
Designs, develops, and maintains service agent, including customer diagnostic tools Acquires or develops premium services	**Desktop Application Development**	Designs, develops, and maintains custom browser, email client, etc. Acquires or develops premium services
(optional) Enhances content delivery using network based facilities, under negotiated terms	**Content Distribution**	Aggregates and distributes content
(optional) Provides backbone services bundled with broadband network, under negotiated terms	**Backbone Services**	Selects and uses backbone services

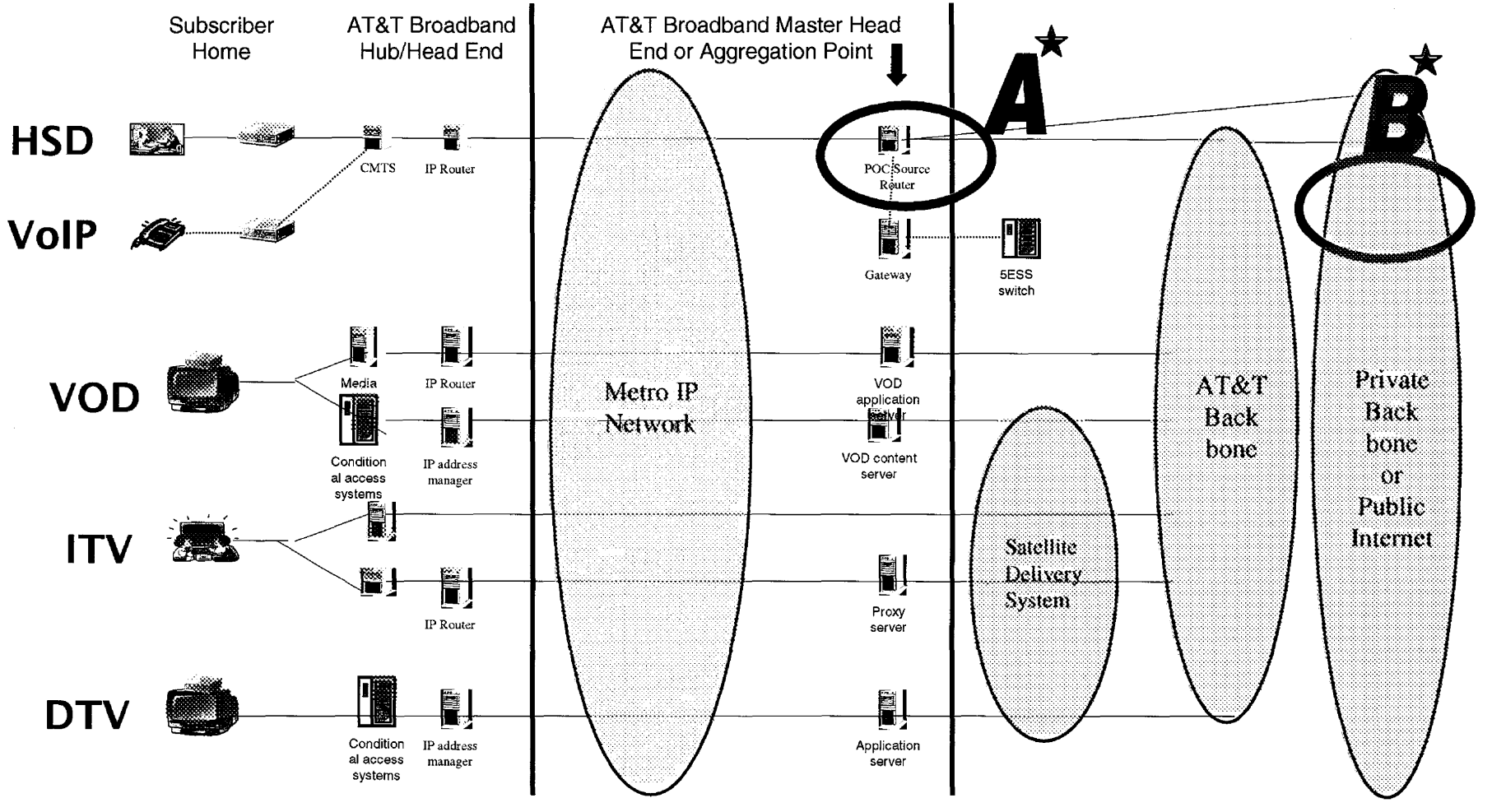
Broadband Choice Subscriber Experience

- Learn about ISP services
  - Consumer marketing materials from ISPs, AT&T Broadband, retail channels, other channels
- Buy ISP service of choice
  - Call ISP to schedule install, or
  - Call AT&T Broadband to schedule install, or
  - Use AT&T Broadband's online ordering system to complete order and schedule install
- Install ISP service of choice
  - AT&T Broadband installs service agent, which downloads ISP browser, etc., or
  - AT&T Broadband installs service agent, customer uses ISP CD to install browser, etc.
- Use ISP service of choice
  - Click on ISP browser and surf the web, click on ISP email client to send/receive email
  - Click on service agent to diagnose problems, obtain self-help information, select a new ISP, install parental control, or learn about other AT&T Broadband services
- Pay for ISP service
  - Select billing entity: ISP or AT&T Broadband
- Obtain customer service
  - Use service agent to diagnose problems (and potentially fix)
  - Use service agent to facilitate self-help or direct to proper "fix agency"
  - Email, chat, or call ISP or AT&T Broadband, depending on nature of the problem

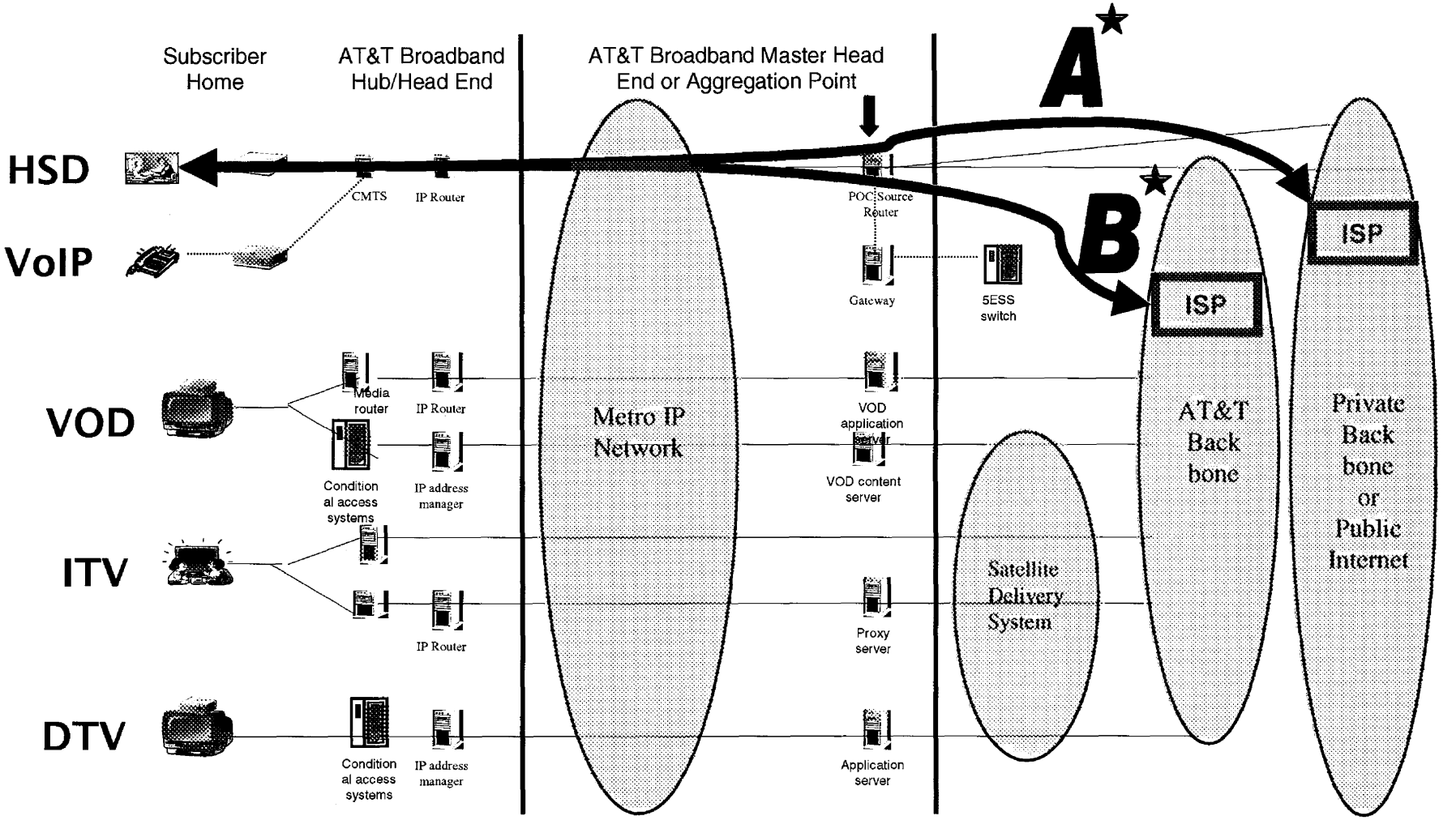
Engineering Alternatives and Decisions Made

Technical/Architectural Element	Alternatives	Decision
ABB/ISP demarcation	At multiple master headends At multiple regional data centers At a single backbone connection	Demarc at regional location: either master headend or a data center (often co-located) or at single backbone connection
Routing	Policy based (source based) routing MPLS Tunneling	Architecture is PBR, with capability of additionally layering in MPLS. Tunneling also possible
DNS/DHCP/Provisioning	Performed by ABB for all ISPs Performed by each ISP	ABB to perform all network management services
Caching and replication	Sit in headend: must be owned by ABB Sit on backbone: allows ISP options	An optional service provided by ABB
Web hosting	Content hosted by AT&T Content hosted by ISP	Content providers may choose any entity to perform web hosting
B2B interfaces	Industry-wide standard interfaces Interfaces specific to AT&T Broadband	Using standards-based interfaces that we hope will become an industry standard

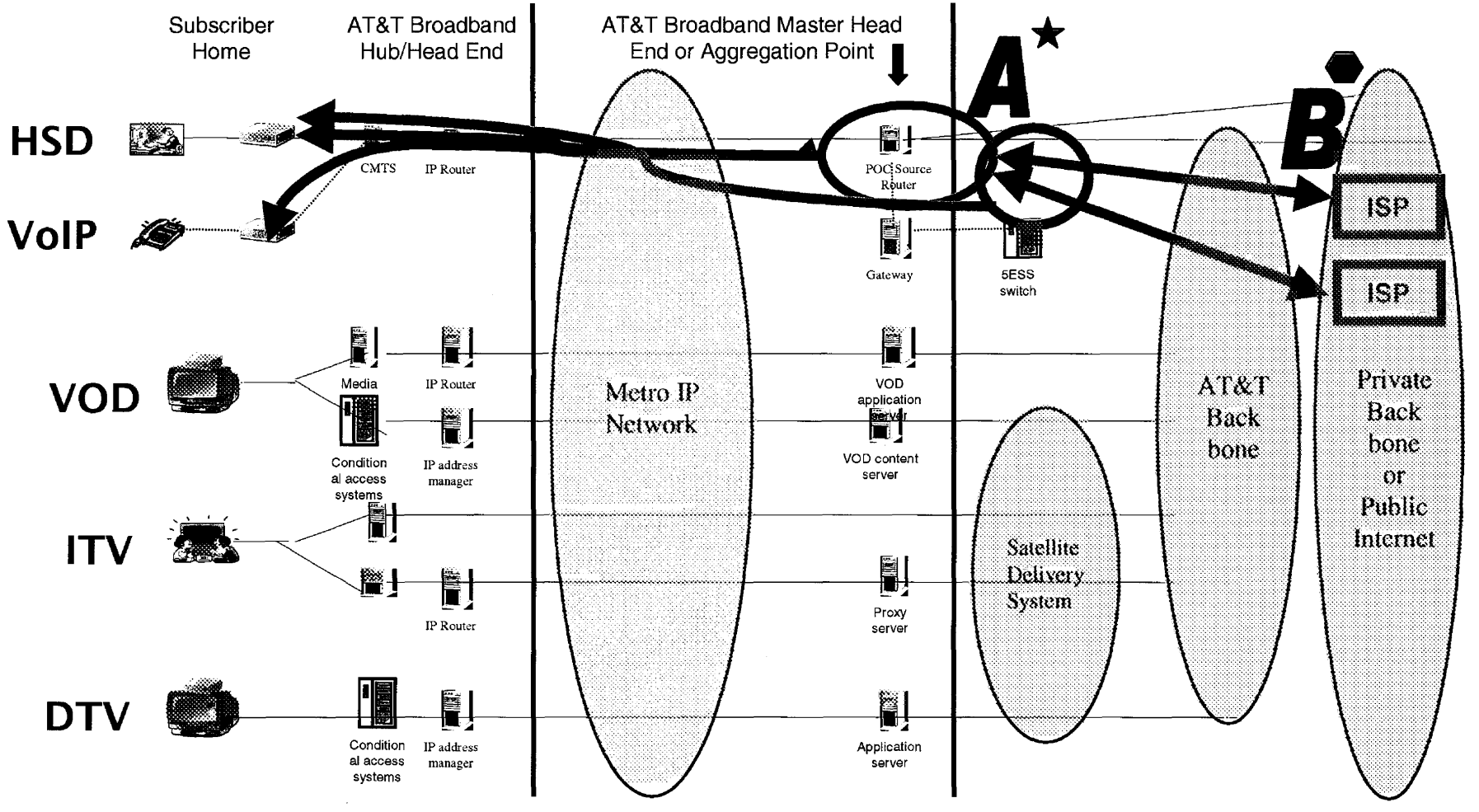
AT&T Network Architecture: Demarcation



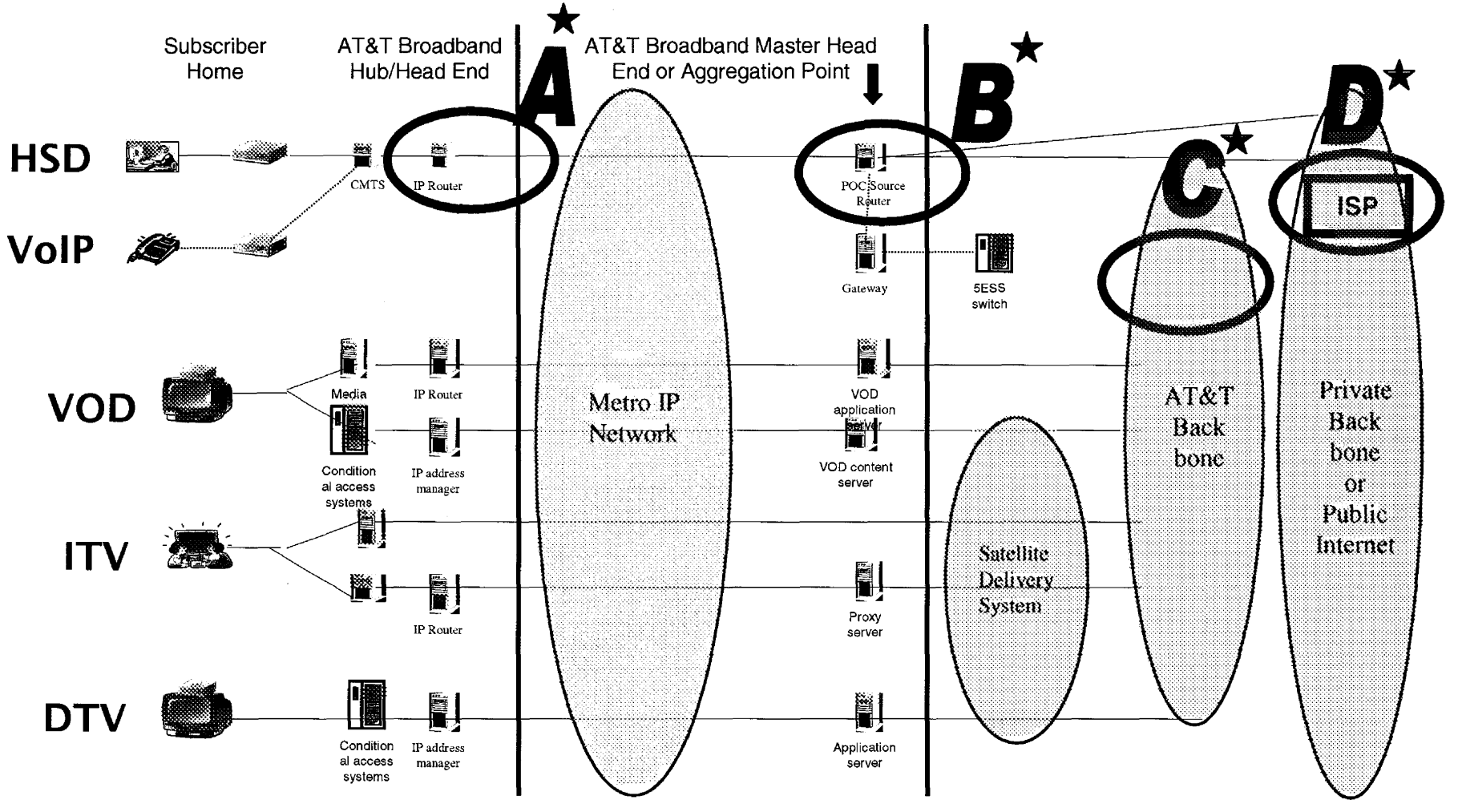
AT&T Network Architecture: Routing



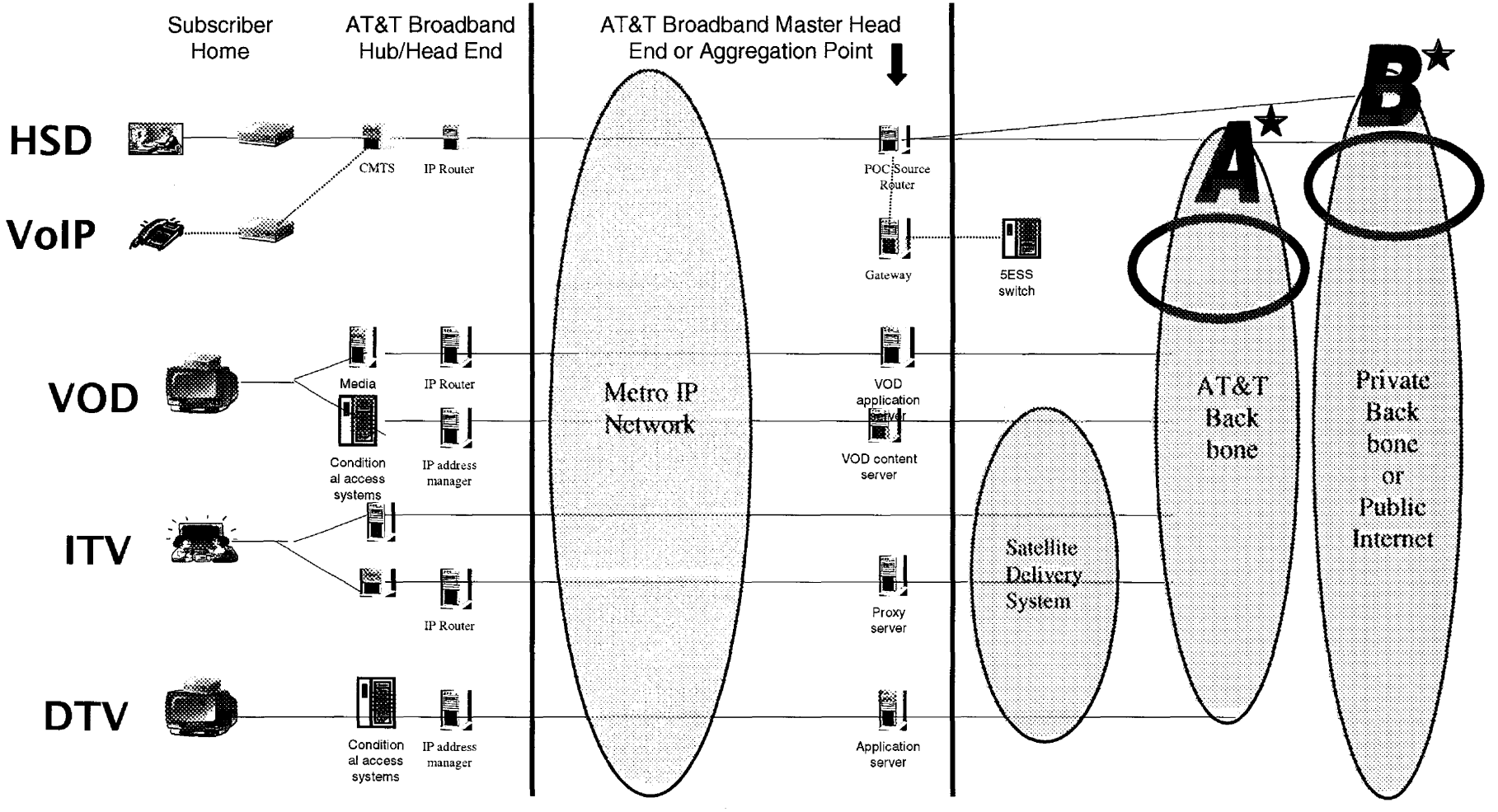
AT&T Network Architecture: DHCP/Provisioning



AT&T Network Architecture: Caching



AT&T Network Architecture: Web Hosting



AT&T Broadband Choice is.....

- Good for consumers
  - Select from multiple ISPs
  - Have a seamless path between dial-up and broadband
  - Choose from variety of speeds
  - Control online experience
  - Receive broader opportunity for bundled offer discounts
- Good for ISPs
  - Broaden consumer segments it can reach
  - Participate in the broadband industry without significant network investments
  - Develop new revenue streams enabled by broadband
- Good for AT&T Broadband
  - Increase number of consumers on its broadband network
  - Increase the types of bundled offers available to consumers
  - Develop additional channels for acquisition